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MINISTRY OF INTERNATIONAL TRADE

RESOLUTION

TARIFFS

New Delhi, the 18th November 1963

No. 11(3)-Tar/63.—The Tariff Commission has submitted its Report on the continuance of protection to the Sericulture Industry on the basis of an inquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the Sericulture industry should be continued for a further period of three years, that is, upto 31st December, 1966 at the existing rates of protective duty under tariff item Nos. 46, 46(1), 47(a), 47(b), 47(c), 47(1), 48(a), 48(b) and 48(c).
- (2) A general assessment of the industry shows that in view of its peculiar features and special handicaps the overall progress achieved by it since the last inquiry in 1958 has not been quite commensurate with either the prolonged protection granted or with the magnitude of the other assistance rendered by the Central Silk Board and State Governments.
- (3) Irrigation, manuring, improvement of soil conditions and evolution of suitable grafts which will give better yield and study of nutritive value of leaves should receive the highest attention of research institutes and sericultural States.
- (4) Steps should be taken towards the establishment of chawki rearing centres on co-operative lines in order that the quality of the raw silk may improve and the existing high renditta considerably lowered.
- (5) The practice of earlier harvesting of cocoons should be corrected either through better incentives created by regulation of prices after suitable grading in the markets or through legislative enforcement that cocoons ought not to be brought to the market earlier than the fifth day.
- (6) The possibility of establishing a central agency for the storage of cocoons in centres where there is a concentration of markets may be explored.
- (7) A thorough examination of the relative advantages of different methods of reeling in the existing set up of the country (namely, charka, domestic basins and filatures) and the demand for their end products should be undertaken before proceeding any further with the policy of radically altering the proportions in which each makes its contribution to the existing demand for silk.

- (8) As a class by itself catering to a special demand non-mulberry silk has a substantial market internally, and the tasser variety has recently manifested good export possibilities. As such this section of sericulture industry deserves more attention than it has so far received.
 - (9) A quota restriction on exports of silk waste taking into consideration the requirements of spun silk mills in the country on the basis of their present rate of operation is recommended. If a time is reached when the two spun silk mills can operate a second shift the picture will undergo a change and the policy of exports could also be reviewed.
 - (10) It would be in the interests of the filatures for making them a little more profitable to equip themselves with the specialised machinery for throwing and offer to the market thrown silk in future.
 - (11) Dissemination of information about the testing of raw silk undertaken at the testing houses and issue of certificates freely are necessary to meet the criticism of dealers with regard to the method of sampling for tests and the nature of tests conducted.
 - (12) Unless the authorities in the notified cocoon markets in Mysore State undertake objective tests to accurately grade the cocoons and create conditions conducive to an adjustment of prices on the basis of quality, the purpose of establishing such markets would not be carried to its logical end.
2. Government accept recommendation (1) and the necessary legislation will be taken in due course.
 3. Government have taken note of recommendations (2) to (11) and steps will be taken to secure their implementation to the extent possible.
 4. Attention of the Mysore State Government is drawn to recommendation (12).

ORDER

Ordered that copy of the Resolution be communicated to all concerned and that it be published in the Gazette of India.

H. D. SHOURIE, Jt. Secy.